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Media Release
July 21, 2008

Biden Announces Medicaid Fraud Settlement with Bristol-Myers Squibb

Wilmington, DE – Today Attorney General Beau Biden announced that the Delaware Department of Justice has recovered more than \$1 million for the Delaware Medicaid Program through a settlement with Bristol-Myers Squibb Company (BMS) and its former wholly owned subsidiary Apothecon, Inc. The settlement resolves allegations that BMS illegally marketed and priced prescription medication that cost Delaware's and other states' Medicaid programs. The national settlement totals \$389 million plus interest and involves 43 states, the District of Columbia, and the federal government.

"This \$1 million settlement sends a strong message that we will not tolerate fraudulent and illegal overcharging for prescription drugs," stated Attorney General Joseph R. Biden, III.

A total of \$1,115,876 was recovered for the Delaware Medicaid Program. The State has received \$561,712, which includes restitution of \$274,184 for the Delaware Medicaid Program, and a penalty of \$287,528 that will be paid to the State's general fund. The balance of the Delaware recovery was returned to federal authorities.

Today's settlement addresses allegations that BMS engaged in improper practices, including:

- Reporting inflated prices for prescription drugs, with the knowledge that Medicaid and other federal programs would pay these prices for BMS and Apothecon products used by their recipients
- Paying illegal remuneration to physicians, health care providers, and pharmacies to induce them to purchase BMS and Apothecon products
- Promoting the sale and use of the antipsychotic drug Abilify for pediatric use and for treatment of dementia-related psychosis – uses the federal Food and Drug Administration has not approved
- Misreporting sales prices for the antidepressant drug Serzone, resulting in the improper reduction of rebates paid to state Medicaid programs

The settlement reimburses Delaware, other participating states, and the federal government for excessive amounts paid by Medicaid programs as a result of this conduct. BMS has also entered into a Corporate Integrity Agreement with the U.S. Department of Health and Human Services under which it is required to accurately report its average sales prices and average manufacturers prices.

A team from the National Association of Medicaid Fraud Control Units participated in the investigation and represented the states' interests in the settlement negotiations.

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